



Judicial Council of California

Administrative Office of the Courts

Trial Court Financial Policies and Procedures

Policy No.
Page

FIN 1.02
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RESPONSIBILITIES AND AUTHORITY

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Responsibilities and Authority

(Original 8/01)

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2.0 Purpose

(Revised 9/10)

The purpose of this policy is to establish the general responsibilities and authorities of trial court judges, subordinate judicial officers, management, supervisors, and staff with regard to the financial operations of the court, and the preparation of internal and external financial reports.

3.0 Policy Statement

(Revised 7/06)

The trial court is subject to the rules and policies established by the Judicial Council or by the AOC under delegation by the council to promote efficiency and uniformity within a system of trial court management. Within the boundaries established by the Judicial Council, each trial court has the authority and is responsible for managing its own operations. All employees are expected to fulfill at least the minimum requirements of their positions and to conduct themselves with honesty, integrity and professionalism. All employees shall also operate within the specific levels of authority that may be established by the trial court for their positions.

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4.0 Application

(Revised 9/10)

This procedure applies to all trial court judges, subordinate judicial officers, employees and other officials who are responsible for the preparation of internal and external financial reports or participate in the financial operations of the court.

5.0 Definitions

(Revised 9/10)

Refer to the Glossary for the following key terms used in this policy.

Accountability

California Rules of Court

**Fiscal Year-End Generally Accepted Accounting Principles (GAAP)
Reports**

Governmental Accounting Standards Board (GASB)

Quarterly Financial Statement (QFS)

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6.0 Text

6.1 Governance and Accountability

(Revised 9/10)

1. The judicial branch is a separate branch of government and must demonstrate its capability to exercise strong leadership and to responsibly govern itself. As the courts assume greater responsibility for their governance they must ensure that they retain the confidence of the public and that of their sister branches of government. The judiciary has established policies and standards with the goal of ensuring the fiscal and administrative accountability from the courts that the public expects.
2. Trial courts play an important role in the overall governance, independence and accountability of the judicial branch. Accordingly, courts must maintain an appropriate administrative framework through which accountability is achieved at the local level.
3. Trial court administration is based on a framework of rules, relationships, systems and processes within and by which fiscal and administrative accountability is established, exercised and controlled in a trial court.

6.2 Responsibilities

(Revised 9/10)

1. CRC 10.603(a), details general responsibilities of the Presiding Judge related to the administration of the court.
2. The Presiding Judge and Court Executive Officer will establish internal controls over financial reporting to assure that:
 - a. Receipts and expenditures are made only as authorized;

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- b. Steps are in place to prevent and detect theft; and
- c. Any financial report produced, including the QFS and Fiscal Year-End Reports, accurately and fairly reflects all fund balances, assets liabilities, revenues, and expenditures of the trial court regardless of the source.
- d. The trial court is staffed with knowledgeable and trained employees who implement the financial and accounting policies and procedures presented in this manual in conducting trial court fiscal operations.
- e. The trial court has adopted written job descriptions for all positions covered by the policies and procedures contained in this manual. Each job description includes a duty statement and minimum qualifications.
- f. The trial court has established a system of authorization to provide effective management control over its assets, liabilities, revenues and expenditures. Specific levels and scopes of authority must be established for executives, managers, supervisors, and staff, with dollar limits where appropriate, in areas such as procurement, contract approval, payment authorization, etc. Any dollar limit established must fit within the overall approval framework established by rule of court and this manual.
- g. An authorization matrix listing the scope and levels of authority for various trial court employees has been created and maintained by the court. The authorization matrix must be updated as responsibilities change, and no less frequently than annually. The authorization matrix must be reestablished each time a new presiding judge is elected. The matrix must be provided to court, county, and accounting service providers for reference as necessary. This matrix must also be provided to internal and external auditors upon request.

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6.3 Duties

(Revised 9/10)

1. California Rules of Court, rule 10.603 lists the duties for the **Presiding Judge**, including:
 - a. Establish a process for consulting with the judges of the court on budget requests, expenditure plans, and other budget or fiscal matters that the presiding judge deems appropriate;
 - b. Establish responsible budget priorities and submit budget requests that will best enable the court to achieve its goals; and
 - c. Approve procurements, contracts, expenditures, and the allocation of funds in a manner that promotes the implementation of state and local budget priorities and that ensures equal access to justice and the ability of the court to carry out its functions effectively. In a court with an executive officer, the presiding judge may delegate these duties to the court executive officer, but the presiding judge must ensure that the court executive officer performs such delegated duties consistent with the court's established budget.
2. **Court Executive Officer.** The Court Executive Officer serves under the direction of the Presiding Judge and has the responsibility to oversee the court's operations. The duties of the Court Executive Officer are specified in California Rule of Court 10.610.

(Original 8/01)

3. **Fiscal Officer.** The Fiscal Officer (the Court Executive Officer may also assume this role, depending on the court's organizational structure) is responsible for managing the court's fiscal operations, accounting, and financial reporting. The Fiscal Officer is generally responsible for performing the following duties:

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- a. Establishes, maintains and enforces all financial policies and procedures, whether they are developed internally or prescribed by statute or the Judicial Council.
- b. Maintains the court accounting system and financial records.
- c. Assures the implementation of a system of financial internal controls.
- d. Assures the court has an efficient and effective system to record and report employee time and attendance, accrue leave, and distribute the court payroll.
- e. Plays a critical role in developing the court's annual budget.
- f. If applicable, assures that all cash collected by the court is handled securely, properly accounted for and deposited, and accurately distributed and reported.

(Revised 9/10)

- g. Monitors the trial court budget and actual expenditures to identify variances, determine their cause, and implement measures to reduce or eliminate future variances.
- h. Prepares the court's financial statements including the QFS and Fiscal Year-End financial information as required by the Judicial Council.

(Original 8/01)

- i. Monitors cash flow and projects future cash flow needs to assure that the court can meet its financial obligations.
- j. Serves as the primary point of contact for the court in the event of an audit of the courts financial records.
- k. Maintains an inventory of the court's fixed assets and inventory items.

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- I. Performs other fiscal duties that may be delegated by the Court Executive Officer.

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4. **Managers/Supervisors.** All managers and supervisors are responsible for ensuring that all fiscal operations and staff under their direction comply with this manual as well as AOC Finance Division Memorandums and the local policies and procedures established by the trial court.
5. **Staff.** Each trial court staff member is responsible for observing the court's rules for ethical behavior and for complying with this manual as well as AOC Finance Division Memorandums and the local policies and procedures established by the trial court.

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7.0 Associated Documents

(Original 8/01)

None